WCBA Western Canada BIODIESEL ASSOCIATION

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Mr. Jim Cahill
Senior Budget Assistant to the Governor for Natural Resources
The Office of Financial Management
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Dear Mr. Cahill,

Thank you for the opportunity to comment on the Clean Fuels Standard (CFS) Discussion Document and for the invitation to join recent stakeholder conversations.

The Western Canada Biodiesel Association supports the production and use of low carbon biodiesel and renewable diesel in Canada's western provinces. We represent 100% of industrial scale (>10mly) biodiesel production capacity, and collaborate with the full biodiesel value chain, in western Canada. We have worked extensively with our federal and provincial governments on renewable fuels policies since 2005, and with British Columbia since 2009 on its Renewable and Low Carbon Fuel Requirements Regulation.

We support the state's direction toward a Washington Clean Fuels Standard. We believe the discussion document has thoughtfully incorporated the lessons of other jurisdictions and addresses Washington's needs.

Climate action and transitioning to a low carbon economy are shared values in the Pacific Coast states and BC. We believe that a Washington standard will add value to natural resources from the region and re- invest consumer spending on fuels back into our regional economies.

We offer here a limited set of comments where we believe the standard may be strengthened.

Clean Fuel Supply

The International Center for Clean Transportation issued a report in January 2015 to address concerns expressed by some stakeholders regarding sufficiency of low carbon

fuel supply. The study[1] addressed supply through 2030, but importantly concluded for 2020 that, "*Six of the eight scenarios analyzed would be consistent with full compliance with regulatory targets between 2015 and 2020. These scenarios also demonstrate a wide variety of potential fuels that could be used for compliance*…. Although the various fuel pathways each have unique deployment constraints that affect the near-term fuel deployment, all eight scenarios analyzed delivered between 14% and 20% carbon intensity reduction in the region by 2030, from 2010 levels." We note that the ICCT study did not recognize that BC assesses only direct land use change; this significantly increases the low carbon fuel supply available to Washington.

The report also showed that the 2020 requirements can be substantially met with existing first-generation and second-generation renewable and alternative fuels (e.g. biofuels such as ethanol, biodiesel and natural gas) that are in widespread commercial use today.

Improve Lifecycle Modeling

Consideration may want to be given to incorporate improved lifecycle modeling for a limited set of direct and indirect effects – those for which California has not completed based on timing and resources. Lifecycle modeling experts can suggest a short list of areas for which improvements could be realized in the relatively near term.

The calculation and allocation of indirect effects should properly be considered for its existence among all fuels, including fossil fuels. Some estimates for fossil fuel indirect effects have been in the same range as those of biofuel estimates.

This proposed path forward is consistent with the results of a technical expert working group convened by the International Organization for Standardization International Organization for Standardization (ISO) Project Committee 248 Working Group 4 on Indirect Effects. A key finding of the committee has been incorporated into the draft International Standard; specifically, that there should be equitable treatment of direct and indirect effects for any energy options being evaluated including baseline fuel(s) that would be replaced and/or supplemented by proposed bioenergy sources.

Defining System Boundaries

The discussion document refers to "lifecycle greenhouse gas emissions' but does not define this term. Both California and Oregon define this term, and BC defines 'lifecycle.' We recommend that WA include a definition, and consider adapting the California definition:

[1] http://www.theicct.org/news/www.theicct.org/low-carbon-fuel-supply-pacific-north-america

> "Lifecycle greenhouse gas emissions means the aggregate quantity of greenhouse gas emissions (including direct emissions and significant indirect emissions such as significant emissions from land use changes), as determined by the Executive Officer, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential."

Disclosure of Biofuel Content

We suggest that when fuel ownership is transferred in the case of biofuels, that the requirement (p. 11) of the transferor to, "Provide the recipient a product transfer document that includes: […] (E) Volume or amount of fuel transferred;" be amended to "(E) Volume or amount of fuel transferred, and the volume of biofuel content in that volume."

This suggestion enables a recipient of fuel to add additional biofuel content if desired, and to properly manage the final biofuel component.

Periodic Review

We observe for BC that the absence of an explicit review schedule has resulted in continued requests to amend the standard, and the accompanying staff workload. On this basis, we suggest that a periodic review schedule (i.e., every three years) be specified.

We appreciate your work to develop this good discussion document, and look forward to assisting further, where appropriate, in the development of a standard.

Respectfully submitted,

Ian Thomson
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